

Message Text

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63

ACTION EA-10

INFO OCT-01 AID-05 CIAE-00 EB-07 FRB-03 INR-07 NSAE-00

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 DODE-00 PM-03 H-02 L-02 NSC-05 PA-01 PRS-01

SS-15 USIA-06 AGR-05 FEA-01 STR-04 CEA-01 INT-05

ISO-00 /098 W

----- 020901

R 071035Z APR 75

FM AMEMBASSEY MANILA

TO SECSTATE WASHDC 1991

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMCONSUL NAHA

AMEMBASSY SAIGON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

USDOC WASHDC

HICOMTERPACIS SAIPAN MARIANAS ISLANDS

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SAIPAN FOR STATUS LNO

E.O. 11652: NA

TAGS: ECON, ETR, XB, XC,

SUBJECT: APCAC MANILA MEETING

1. IN ADDITION PRC-ROC ISSUE (REPORTED SEPTTEL)

MAJOR PREOCCUPATION OF APCAC MEETING WAS WITH GOVERNMENT-

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BUSINESS RELATIONS. STATE REP (GEBER) WAS INVITED AND
PARTICIPATED FULLY IN DISCUSSIONS ON TOPICS OF

MUTUAL INTEREST. OTHER SPECIAL DELEGATES WERE FROM COMMERCE (MOORE) TREASURY (GORDON), AID (RABIN), USADB (BEACH), AND U.S. CHAMBER OF COMMERCE (JOHNSON). AMBASSADOR SULLIVAN GAVE LUNCHEON SPEECH ATTENDED BY FINANCE SECRETARY VIRATA, OTHER FILIPINO GUESTS AND MEMBERS LOCAL DIPLOMATIC CORPS. THRUST OF HIS REMARKS WAS THAT VIEWED FROM HISTORIC PERSPECTIVE AND THANKS MAINLY TO OUR EVOLVING RELATIONS WITH PRC SITUATION IN EA REGION AND OUR RELATIONS WITH IT ON SOUNDER FOOTING AND MORE STABLE THAN 20-25 YEARS AGO DESPITE TRAGIC EVENTS IN INDOCHINA. FOLLOWING HIGHLIGHTS OF MEETING.

2. AMCHAM/EMBASSY RELATIONS. THERE WAS GENERAL RECONCILIATION OF GOOD AND GROWING IMPROVEMENT IN RELATIONS, ESPECIALLY SINCE HIGHLY SUCCESSFUL HONOLULU COM MEETING. GEBER REPORTED ON FOLLOW-UP AT REGIONAL ECON/COMMERCIAL OFFICERS MEETINGS WHICH WAS ALSO PRAISED BY LOCAL AMCHAMS. FEW POINTS RAISED BY AMCHAM DELEGATES CAN MOSTLY BE HANDLED BY EMBASSIES/AMCHAMS DIRECTLY. STILL, LINGERING FEELING ON PART OF APCAC THAT "GOOD RELATIONS NOT ENOUGH, THEY HAVE TO BE CONSTRUCTIVE" INDICATES YEARNING FOR MUCH STRONGER GOVERNMENT SUPPORT AND INVOLVEMENT.

3. DIEPO. THIS BECAME EVIDENT IN STRONG PUSH FOR A DEPARTMENT OF INTERNATIONAL ECONOMIC PLANNING AND OPERATIONS. DEBATE WAS CONFUSING BUT FEELING WAS THAT THERE IS NO U.S. GOVERNMENT AGENCY WHICH REPRESENTS U.S. FOREIGN ECONOMIC INTERESTS WITH SUFFICIENT WEIGHT; THERE IS NO LONG-TERM PLANNING ON U.S. FOREIGN ECONOMIC POLICY, TRADE, RESOURCES AND INVESTMENT; AND INADEQUATE SUPPORT FOR BUSINESS OPERATIONS ABROAD. MITI AND JAPAN, INC. WERE CITED AS EXAMPLES TO BE FOLLOWED BY U.S. COCUSA REP SUGGESTED STRENGTHENING CIEP AS ALTERNATIVE TO DIEPO; OTHER SUGGESTION WAS TO DO SOMETHING REGIONALLY. MATTER WILL BE TAKEN UP BY APCAC REPS WITH GOVERNMENT OFFICIALS AND CONGRESS IN WASHINGTON AT END OF MONTH.

4. MNC'S. DISCUSSION BROUGHT LITTLE NEW
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BUT REASSERTION BENEFICIAL ROLE MNC'S, SOMEWHAT GRUDGING NEED FOR DIALOGUE WITH LDC'S. ACTION PROGRAM ADOPTED AND CITED IN COMMUNIQUE IS INFORMATION PROGRAM AND LOBBYING DIRECTED AT HOST COUNTRIES, U.S. CONGRESS AND MEDIA, AND APPROPRIATE INTERNATIONAL ORGANIZATIONS.

5. FOREIGN INVESTMENT IN U.S. APCAC READILY AGREED TO OPPOSE ANY NEW RESTRICTIONS ON INWARD INVESTMENT. BUT STRONG SENTIMENT DEVELOPED TO TIE THIS TO

"RECIPROCAL" TREATMENT BY OTHER COUNTRIES. ONLY AFTER STATE, TREASURY AND COCUSA REPS ARGUES THAT THIS WOULD BE SELF-DEFEATING DID APCAC AGREE TO SEPARATE ISSUES, SNED CABLE TO APPROPRIATE CONGRESSIONAL COMMITTEES ON INWARD INVESTMENT, AND ADOPT IN COMMUNIQUE LANGUAGE URGING NATIONAL TREATMENT OF U.S. INVESTMENT AND PROVIDING LEVERAGE TO U.S. GOVERNMENT TO NEGOTIATE TO THAT END.

6. TRADE ACT ISSUES. HONG KONG AMCHAM INTRODUCED RESOLUTION IN FAVOR BENEFICIARY STATUS OF HONG KONG UNDER GSP. AFTER GEBER CONSULTED PRIVATELY WITH HONG KONG DELS, THEY READILY AGREED TO CHANGE PUBLIC RESOLUTION TO LETTER TO CIEP AND STR (WITH COPIES TO STATE, COMMERCE AND LABOR) BUT FREE TO RELEASE IT IN HONG KONG. HONG KONG AMCHAM ALSO INTRODUCED RESOLUTION A) TO RELIEVE INDONESIA FROM OPEC EXCLUSION, B) TO RESTORE TEXTILES AND ELECTRONICS TO ELIGIBLE LIST. BOTH PARTS WERE REVOKED, FIRST WHEN INDONESIAN AMCHAM IN SURPRISE MOVE OPPOSED WITHOUT GETTING QUID-PRO-QUO ON DETERIORATING INVESTMENT CLIMATE, SECOND WHEN GEBER POINTED OUT THAT CHANCES MINIMAL FOR SUCH AMENDMENTS AND HK WOULD NOT MUCH BENEFIT UNDER "COMPETITIVE NEED" EXCLUSION.

7. BUDGET CUTS ON TRADE PROMOTION. COMMERCE REP (MOORE) EXPLAINED IMPLICATIONS PROPOSED BUDGET CUTS AND APCAC AGREED TO CABLE IN SUPPORT RESTORATION BUDGET CUTS.

78. IBRD AND ADB. IBRD AND ADB RECEIVED APCAC LIMITED OFFICIAL USE
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BLESSING SUBJECT TO THESE INSTITUTIONS GIVING AMERICAN BUSINESS A FAIR SHAKE.

9. VIETNAM APCAC/CABLED CONGRESSIONAL LEADERS IN FAVOR OF U.S. GOVERNMENT SUPPORT OF HUMANITARIAN ASSISTANCE TO REFUGEES. THERE WAS BRIEF GENERAL DEBATE ON VIETNAM SITUATION AND APCAC DECIDED THAT IN VIEW OF FLUID SITUATION IT LEAVES IT TO ITS LEADERS TO CONSIDER STEPS WHEN THEY GET TO WASHINGTON AT END OF MONTH.

10. COMMONWEALTH OF NORTHERN MARIANAS. AT REQUEST GUAM DEL APCAC ADOPTED RESOLUTION URGING CONGRESS TO EXPLORE THOROUGHLY PROVISIONS OF COVENANT PARTICULARLY IN REFERENCE TO ADVANTAGES AND PRIVILEGES "NOT AVAILABLE TO OTHER AMERICAN INDIVIDUALS AND BUSINESSES".

11. STATE PARTICIPATION. AT END MEETING CHAIRMAN THANKED SPECIAL DELEGATES AND PARTICULARLY

WELCOMED STATE PARTICIPATION HOPING THIS WILL BE
CONTINUED IN FUTURE. SENTIMENTS WERE RECIPROCATED
BY GEBER.

12. COMMUNIQUE. TEXT BEING POUCHED.
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